



**[OMB No. 3064-0001; -0178]**

**Agency Information Collection Activities: Proposed Collection Renewal; Comment Request**

**AGENCY:** Federal Deposit Insurance Corporation (FDIC).

**ACTION:** Notice and request for comment.

**SUMMARY:** The FDIC, as part of its obligations under the Paperwork Reduction Act of 1995 (PRA), invites the general public and other Federal agencies to take this opportunity to comment on the renewal of the existing information collections described below (OMB Control No. 3064-0001 and - 0178).

**DATES:** Comments must be submitted on or before [INSERT DATE 60 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** Interested parties are invited to submit written comments to the FDIC by any of the following methods:

- *Agency Website:* <https://www.fdic.gov/resources/regulations/federal-register-publications/>.
- *Email:* [comments@fdic.gov](mailto:comments@fdic.gov). Include the name and number of the collection in the subject line of the message.
- *Mail:* Manny Cabeza (202-898-3767), Regulatory Counsel, MB-3128, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

- *Hand Delivery:* Comments may be hand-delivered to the guard station at the rear of the 17th Street NW building (located on F Street NW), on business days between 7:00 a.m. and 5:00 p.m.

All comments should refer to the relevant OMB control number. A copy of the comments may also be submitted to the OMB desk officer for the FDIC: Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

**FOR FURTHER INFORMATION, CONTACT:** Manny Cabeza, Regulatory Counsel, 202-898-3767, [mcabeza@fdic.gov](mailto:mcabeza@fdic.gov), MB-3128, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.

#### **SUPPLEMENTARY INFORMATION:**

Proposal to renew the following currently approved collection of information:

1. Title: Interagency Charter and Federal Deposit Insurance Application

OMB Number: 3064-0001.

Form Number: 6200-05.

Affected Public: Banks or Savings Associations wishing to become FDIC insured depository institutions

Burden Estimate:

Summary of Estimated Annual Burden (OMB No. 3064-0001)						
Information Collection Description	Type of Burden (Obligation to Respond)	Frequency of Response	Number of Respondents	Number of Responses per Respondent	Hours per Response	Annual Burden (Hours)
Interagency Charter and Federal Deposit Insurance Application	Reporting (Mandatory)	On Occasion	20	1	125	2,500

General Description of Collection: The Federal Deposit Insurance Act requires financial institutions to apply to the FDIC to obtain deposit insurance. This collection provides FDIC with the information needed to evaluate the applications.

There is no change in the method or substance of the collection. The decrease in burden hours is the result of economic fluctuation. In particular, the number of respondents has decreased while the hours per response and frequency of responses have remained the same.

2. Title: Market Risk Capital Requirements

OMB Number: 3064-0178.

Form Number: None.

Affected Public: Insured state nonmember banks and state savings associations.

Burden Estimate:

Information Collection Description	Type of Burden	Frequency of Response	Estimated Number of Respondents	Estimated Number of Responses per Respondent	Estimated Time per Response (Hours)	Estimated Annual Burden (Hours)
Identification of Trading Positions (IC-1)	Recordkeeping	Annual	1	1	40	40
Trading and Hedging Strategies (IC-2)	Recordkeeping	Annual	1	1	16	16
Active Management of Covered Positions (IC-3)	Recordkeeping	Annual	1	1	16	16
Prior Written Approval to Use Internal Models (IC-4)	Reporting	Annual	1	1	8	8
Documentation of Internal Models and Other Activities (IC-5)	Recordkeeping	Annual	1	1	24	24

Prior Approval for Certain Capital Standards (IC-6)	Reporting	Annual	1	1	8	8
Demonstrate Appropriateness of Proxies (IC-7)	Recordkeeping	Annual	1	1	8	8
Retention of Subportfolio Information (IC-8)	Recordkeeping	Annual	1	1	24	24
Stressed VaR-based Measure Quantitative Requirements (IC-9)	Recordkeeping & Reporting	Semiannual	1	4	40	160
Incremental Risk Modeling Prior Approval (IC-10)	Reporting	Quarterly	1	4	480	1,920
Comprehensive Risk Measurement Prior Approval (IC-11)	Reporting	Quarterly	1	4	480	1,920
Recordkeeping for Stress Tests (IC-12)	Recordkeeping	Quarterly	1	4	8	32
Demonstrate Understanding of Securitization Positions and Performance (IC-13)	Recordkeeping	Periodically	1	100	2	200
Disclosure Policy (IC-14)	Recordkeeping	Annual	1	1	40	40
Quantitative Market Risk Disclosures (IC-15)	Third-Party Disclosure	Quarterly	1	4	8	32
Qualitative Market Risk Disclosures (IC-16)	Third-Party Disclosure	Annual	1	1	12	12
Total Annual Burden Hours						4,460

General Description of Collection: The FDIC's market risk capital rules (12 CFR part 324, subpart F) enhance risk sensitivity, increase transparency through enhanced disclosures and include requirements for the public disclosure of certain qualitative and quantitative information about the market risk of state nonmember banks and state savings associations (covered FDIC-supervised institutions). The market risk rule applies only if a bank holding company or bank has aggregated trading assets and trading liabilities equal to 10 percent or more of quarter-end total assets or \$1 billion or more (covered FDIC-supervised institutions). Currently, only one FDIC regulated entity meets the criteria of the information collection requirements that are located at 12 CFR 324.203 through 324.212. The collection of information is necessary to ensure capital adequacy appropriate for the level of market risk. Section 324.203(a)(1) requires covered FDIC-supervised institutions to have clearly defined policies and procedures for

determining which trading assets and trading liabilities are trading positions and specifies the factors a covered FDIC-supervised institution must take into account in drafting those policies and procedures. Section 324.203(a)(2) requires covered FDIC supervised institutions to have clearly defined trading and hedging strategies for trading positions that are approved by senior management and specifies what the strategies must articulate. Section 324.203(b)(1) requires covered FDIC-supervised institutions to have clearly defined policies and procedures for actively managing all covered positions and specifies the minimum requirements for those policies and procedures. Sections 324.203(c)(4) through 324.203(c)(10) require the annual review of internal models and specify certain requirements for those models. Section 324.203(d) requires the internal audit group of a covered FDIC supervised institution to prepare an annual report to the board of directors on the effectiveness of controls supporting the market risk measurement systems. Section 324.204(b) requires covered FDIC-supervised institutions to conduct quarterly back testing. Section 324.205(a)(5) requires institutions to demonstrate to the FDIC the appropriateness of proxies used to capture risks within value-at-risk models. Section 324.205(c) requires institutions to develop, retain, and make available to the FDIC value-at-risk and profit and loss information on sub portfolios for two years. Section 324.206(b)(3) requires covered FDIC supervised institutions to have policies and procedures that describe how they determine the period of significant financial stress used to calculate the institution's stressed value-at-risk models and to obtain prior FDIC approval for any material changes to these policies and procedures. Section 324.207(b)(1) details requirements applicable to a covered FDIC-supervised institution when the covered FDIC-supervised institution uses internal models to measure the specific risk of certain covered positions. Section 324.208 requires

covered FDIC-supervised institutions to obtain prior written FDIC approval for including equity positions in its incremental risk modeling. Section 324.209(a) requires prior FDIC approval for the use of a comprehensive risk measure. Section 324.209(c)(2) requires covered FDIC-supervised institutions to retain and report the results of supervisory stress testing. Section 324.210(f)(2)(i) requires covered FDIC supervised institutions to document an internal analysis of the risk characteristics of each securitization position in order to demonstrate an understanding of the position. Section 324.212 applies to certain covered FDIC supervised institutions that are not subsidiaries of bank holding companies, and requires quarterly quantitative disclosures, annual qualitative disclosures, and a formal disclosure policy approved by the board of directors that addresses the approach for determining the market risk disclosures it makes.

Relative to the 2019 information collection request (ICR), the set of information collections (ICs) included in the above burden estimates has been revised. A detailed review of the 18 ICs included in the 2019 ICR showed that seven of the ICs appear inconsistent with the requirements in subpart F or potentially repeat other identified PRA requirements in subpart F. Those seven ICs have been deleted from the set of ICs retained in this renewal.<sup>1</sup> Additionally, a detailed review of subpart F found five provisions that require covered institutions to conduct third-party disclosure, recordkeeping, or reporting and were not included in the 2019 ICR. The PRA requirements of these five provisions have been introduced as ICs in the burden estimate above.<sup>2</sup> Lastly, a review of the 2019

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<sup>1</sup> The ICs deleted from the 2019 ICR are: IC 4-Review of internal models; IC 5- Internal audit report; IC 6- Backtesting adjustments to risk-based capital ratio calculations; IC 10-Modeled specific risk; IC 13- Requirements of stress testing; IC 14-Securitization position; IC 17-Quantitative disclosures for each portfolio of covered positions (IC numbers refer to those in the 2019 ICR memo).

<sup>2</sup> The newly-introduced ICs are: IC 4–Prior approval to use internal models (324.203(c)(1)); IC 5– Documentation of internal models and other activities (324.203(f)); IC 6–Prior approval for certain capital standards (324.204(a)(2)(vi)(B)); IC 12–Recordkeeping for stress tests (324.209(c)(2)); and IC 13– Demonstrate understanding of securitization positions (324.210(f)(1)).

Supporting Statement for the Federal Reserve's approved information collection (OMB No. 7100-0314) for its Market Risk Capital Requirements regulations (12 CFR 217 subpart F) shows that the OMB No. 7100-0314 list of ICs corresponds with the modified set of ICs in this renewal, and would therefore promote consistency among how the banking agencies estimate the PRA burden for the market risk capital rule.<sup>3</sup>

### Request for Comment

Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the FDIC's functions, including whether the information has practical utility; (b) the accuracy of the estimates of the burden of the information collection, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. All comments will become a matter of public record.

Federal Deposit Insurance Corporation.

Dated at Washington, DC, on April 21, 2022.

**James P. Sheesley,**

*Assistant Executive Secretary.*

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<sup>3</sup> See <https://www.reginfo.gov/public/do/PRAOMBHistory?ombControlNumber=7100-0314>.